



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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September 19, 2007

Montgomery County Mayor and
Board of County Commissioners
Montgomery County, Tennessee

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Montgomery County, we have performed a limited review of the information systems in the Offices of Director of Schools, County Clerk, and Register, and the Information Technology Department as of September 11, 2007. The Information Technology Department operates under the supervision of the county mayor. The department presently provides computer services for the Offices of Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, Sheriff, Director of Accounts and Budgets, and Ambulance Service along with other county offices. This letter transmits the results of our review.

Our audit of Montgomery County is required to be conducted in accordance with standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards specify that we perform general and application control reviews of computer-based accounting and information systems to determine whether an entity's existing procedures and controls provide adequate assurance of data accuracy and financial and operating statement reliability.

Because of inherent limitations in any internal control structure, errors, irregularities, or control weaknesses may exist and may not be detected. However, our information system reviews performed in the Offices of County Clerk and Register did not reveal any matters that we considered to be a significant deficiency. Significant deficiencies were identified in the Offices of County Mayor, Director of Schools, and Director of Accounts and Budgets. These deficiencies may be included in the annual financial report of Montgomery County. These matters are also presented in detail in the attached Review of Internal Controls Regarding Information System Operations – Findings and Recommendations.

A brief summary of the significant deficiencies by office is presented below:

COUNTY MAYOR – AMBULANCE SERVICE

1. The office had not implemented adequate controls to protect its information resources.

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DIRECTOR OF SCHOOLS

1. The office had not implemented adequate controls to protect its information resources.

DIRECTOR OF ACCOUNTS AND BUDGETS

1. The office had not implemented adequate controls to protect its information resources.

Please contact Penny Austin, Assistant Director, or me if you have any questions regarding our review of the information systems in the aforementioned offices of Montgomery County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Michael Harris, Director of Schools
The Honorable Brenda Radford, Trustee
The Honorable Kellie Jackson, County Clerk
The Honorable Cheryl Castle, Circuit and General Sessions Courts Clerk
The Honorable Ted Crozier, Clerk and Master
The Honorable Connie Bell, Register
The Honorable Norman Lewis, Sheriff
Ms. Betty Burchett, Director of Accounts and Budgets
Mr. David Holeman, Chief Technology Officer (Schools)
Mr. Jeff Bailey, Middle Tennessee Audit Manager

**MONTGOMERY COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM
OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF SEPTEMBER 11, 2007**

The review of controls over information systems in the Offices of County Mayor, Director of Schools, and Director of Accounts and Budgets indicated a need for improvement. The following findings and recommendations have been made to aid these offices in the implementation of controls to better secure their computer systems and the information contained therein. These matters were reviewed with management to provide an opportunity for their response. Management offered oral responses to these items but did not submit written responses. We did not include oral responses in this report.

OFFICE OF COUNTY MAYOR – AMBULANCE SERVICE

**THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS
TO PROTECT ITS INFORMATION RESOURCES**

1. FINDING

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. We provided the official with detailed information regarding the specific vulnerabilities we identified, as well as our recommendations for improvement.

RECOMMENDATION

The office should ensure that adequate controls over information systems and the resources associated with those systems are implemented. Also, the office should take steps to establish or improve any compensating controls until these conditions are remedied.

OFFICE OF DIRECTOR OF SCHOOLS

**THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS
TO PROTECT ITS INFORMATION RESOURCES**

1. FINDING

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. We provided the official with detailed information regarding the specific vulnerabilities we identified, as well as our recommendations for improvement.

RECOMMENDATION

The office should ensure that adequate controls over information systems and the resources associated with those systems are implemented. Also, the office should take steps to establish or improve any compensating controls until these conditions are remedied.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

1. FINDING

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. We provided the official with detailed information regarding the specific vulnerabilities we identified, as well as our recommendations for improvement.

RECOMMENDATION

The office should ensure that adequate controls over information systems and the resources associated with those systems are implemented. Also, the office should take steps to establish or improve any compensating controls until these conditions are remedied.

PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information
System Operations as of May 5, 2005)

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
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1	1	The office had deficiencies in computer system back-up procedures
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OFFICE OF COUNTY CLERK

Finding Number	Page Number	Subject
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1	2	The office did not implement adequate controls to protect its information resources
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OFFICE OF CLERK AND MASTER

Finding Number	Page Number	Subject
1	3	The office did not implement adequate controls to protect its information resources

OFFICE OF REGISTER

Finding Number	Page Number	Subject
1	3	The office did not have formal policies and procedures for computer operations